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The Northeast Utilities System



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TESTIMONY OF RICHARD A. SODERMAN
THE CONNECTICUT LIGHT AND POWER COMPANY
and YANKEE GAS SERVICES COMPANY
Energy and Technology Committee—March 9, 2010

H. B. No. 5466 (RAISED) AN ACT CONCERNING CLIMATE CHANGE.

The proposed bill would require the DEP, in consultation with the DPUC, to establish regulations to monitor state funds used to reduce greenhouse gas emissions. We support this bill, but we think it could go further to provide guidance to policy makers more generally about all energy resource decisions.

Connecticut has an assortment of clean energy strategies that have been implemented over many years. They include renewable portfolio standards, Project 150, the Regional Greenhouse Gas Initiative, and DEP emissions standards and goals to reduce emissions by 20% by 2020. To date, the Connecticut Clean Energy Fund has dedicated nearly \$200 million on renewables. Project 150 has not produced any energy yet, but the contracts that have been awarded are estimated to cost electric consumers between \$100-600 million in above market payments over the terms of the contracts. The renewable portfolio standards have and will continue to contribute significant additional subsidies to renewables. Thus, electric consumers are already spending substantial amounts in supporting renewable generation technologies in their monthly bills, a fact that contributes to our having among the highest rates in the nation. In effect, the foundation of most of these programs is the reduction in greenhouse gas emissions, which is the primary subject of the proposed bill.

As policy makers consider various renewable strategies, they need to consider the balance between goals and technologies and the impact on electric prices. As part of the Integrated Resource Planning process we undertake pursuant to state law, we have searched for information on the costs of various technologies. Based on that research, it appears that, depending upon which technology is selected to meet our renewable standards, large scale deployment can have varying and sometimes adverse impact on rates.



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We believe that Connecticut electric consumers deserve better policy directions than “one-off” commitments to individual programs. As such, we recommend that the legislature call a time out, reassess where it wants to go, and map out a reasonable course to get there with full information. For example, you could extend the concepts of this proposed bill to call upon the DPUC and DEP to also assess the various clean energy programs already in place and emerging (e.g. federal) and develop a comprehensive strategy to achieve the most appropriate mix of clean energy resources.

Thank you for the opportunity to provide testimony on this bill.

In order for the Committee to consider our recommendation, we submit the following as a proposed addition to H.B. 5466:

Sec. 2. (NEW) The department of public utility control, in consultation with the department of environmental protection, shall open an investigation to: (A) review the status of the state's various energy programs that encourage or promote clean energy technologies, energy efficiency, greenhouse gas and carbon emissions reductions; (B) review goals and objectives of state and federal clean energy programs; (C) review and analyze various strategies available to Connecticut to meet these goals and strategies; and (D) make recommendations as to an appropriate plan for implementing programs and strategies to effectively meets the state's clean energy goals. Such recommendations may include proposed new legislation or regulations, or revisions to existing legislation or regulations. The analysis shall include, but not be limited to, consideration of program effectiveness, cost effectiveness, rate impacts, job creation and losses, and technology risk and economics. The Department of Public Utility Control shall report to the committee having cognizance over energy issues no later than November 30, 2010 on the results of its investigation and recommendations for the future.